

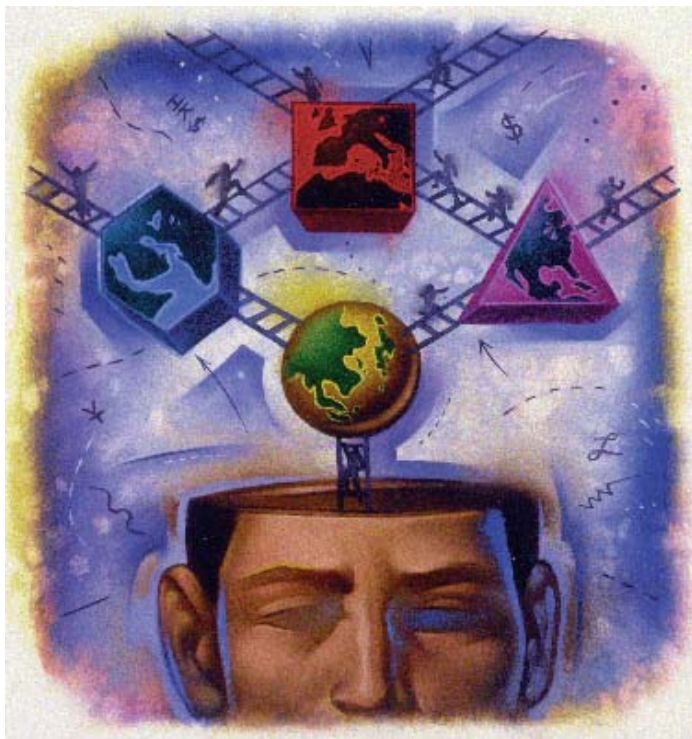
Working with the States to Address RPS/RECs Issues



Workshop on REC Markets
and Challenges

September 11, 2007

Outline



- Overview of Northeast & Mid-Atlantic States Collaborative on RPS Implementation
- Issues of RPS Design and Implementation on REC Markets
- Examples of RPS Design Elements that Restrain Market Liquidity and Prices
- Implications of Regional Functionality

Overview of RPS Collaborative: Scope

PRIMARY PURPOSE: To share information, improve implementation and pursue targeted opportunities for cooperation in implementing RPS by states in the Northeast and Mid-Atlantic regions.



Overview of Collaborative: Objectives



OBJECTIVES: To provide a forum for states:

- (a) to engage in information sharing,
- (b) to work on common implementation issues, and
- (c) to explore the harmonization of individual state RPS markets with larger renewable energy markets.

Issues of RPS Design & Implementation on Markets

INCLUDE:

- Inconsistent “definitions” of renewable eligibility across the regions.
- Deliverability requirements and geographic eligibility.
- Hourly scheduling/matching requirements.



Examples of RPS Design Elements that Restrain Market Liquidity

EXAMPLES:



- Almost annual changes to RPS eligibility definitions.
- New York RPS RFPs distinguish between intermittent and non-intermittent generators.
- Massachusetts' significant use of the ACP.

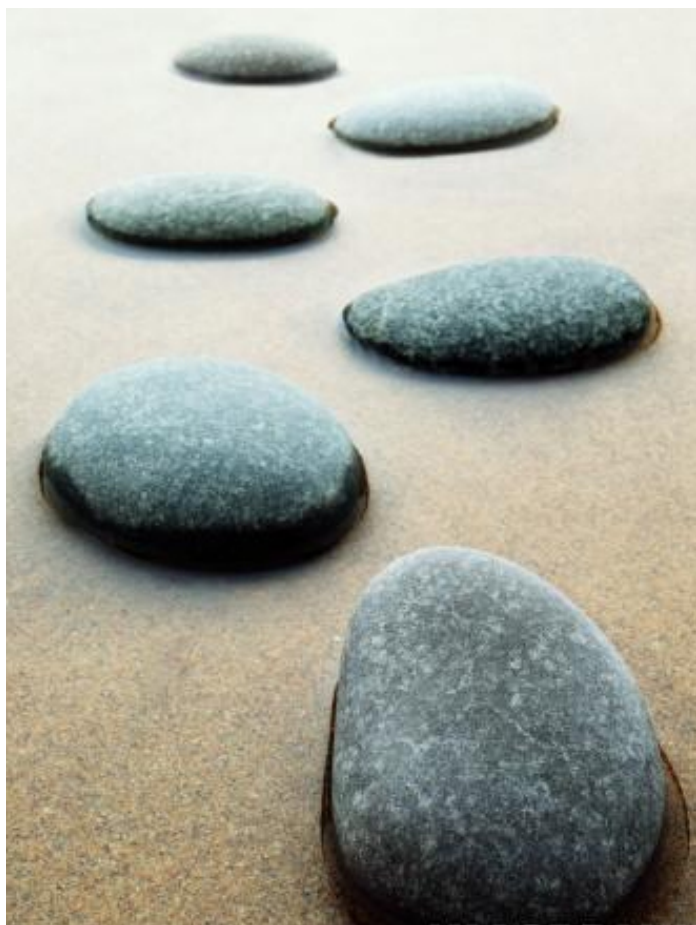
Implications of Regional Functionality

POTENTIAL FOR:

- States to meet RPS targets with generation/RECs rather than ACPs.
- Assist states in achieving defined RPS objectives.
- Transition to a self-sustaining RPS that is not ratepayer funded.



Next Steps



YEAR TWO:

- RPS Seams Issues
- RPS Evaluation Elements
- Best Practices and Obstacles
- Relationship between the voluntary and compliance renewable markets.

ADDITIONAL INFORMATION

Project Website

www.cleanenergystates.org/JointProjects/RPS.html

Staff Contact

Jennifer DeCesaro

Phone: 303.296.0475 Email: Jennifer@cleanegroup.org